

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 227

February 10, 2011

SUMMARY OF BILL: Authorizes the sale of alcoholic beverages for on-premises consumption at a restaurant within a Tennessee River Resort District with an indoor seating capacity of at least 40 people and an outdoor seating capacity of at least 75 people.

ESTIMATED FISCAL IMPACT:

**Increase State Revenue – \$2,700/ABC Fund/One-Time
\$6,800/ABC Fund/Recurring
Not Significant/Recurring/General Fund
Increase State Expenditures – Not Significant**

**Increase Local Revenue – \$5,400/Permissive
Increase Local Expenditures – Not Significant**

Assumptions:

- One restaurant in each of the nine River Resort Districts will be authorized to sell alcoholic beverages for on-premises consumption.
- No additional personnel or resources will be required by the Alcoholic Beverage Commission.
- There will be an initial license application fee of \$300 and an average \$750 annual renewal fee to the State ABC Fund resulting in a one-time increase of revenue to the State ABC Fund of \$2,700 (\$300 x 9) and a recurring increase to the State ABC Fund of \$6,750 (\$750 x 9).
- Any increase in local government expenditures related to the administrative cost of collecting local privilege taxes associated with such licenses is estimated to be not significant.
- The local privilege tax for River Resort counties is \$600 resulting in a recurring increase to local revenue of \$5,400 (\$600 x 9).

- Entities will be assessed state and local sales taxes on alcoholic beverage sales, a 15 percent liquor-by-the-drink tax on each alcoholic beverage sold, and any applicable county or city privilege tax. These taxes will not have a significant state or local fiscal impact.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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